



NEWS RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF
BANK OF SOUTH PALM BEACHES, HYPOLUXO, FLORIDA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of Bank of South Palm Beaches, Hypoluxo, Florida, by 1st United Bank, Boca Raton, Florida.

The failed bank's main office and branch will reopen on Monday, August 12, 1991 as branches of 1st United Bank, and its depositors automatically will become depositors of the assuming bank.

Bank of South Palm Beaches, with total assets of \$70.2 million, was closed on Friday, August 9, 1991, by Gerald Lewis, Florida Comptroller of Banks, and the FDIC was named receiver.

1st United Bank will assume about \$65.7 million in 7,800 deposit accounts and has agreed to pay the FDIC a purchase premium of \$163,000. It also will purchase approximately \$41.1 million of the failed bank's loans and other assets. To facilitate the transaction, the FDIC will advance about \$25.4 million to the assuming bank and will retain assets of the failed bank with a book value of about \$29.2 million.

The Board of Directors approved the deposit assumption under its authority to do so whenever it determines that such a transaction will reduce the potential loss to the FDIC. The FDIC will recover a portion of its outlay through the liquidation of assets not transferred to the assuming bank. Creditors will share proportionately with the FDIC in the proceeds realized from the liquidation of the failed bank's assets.

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